

**MCINTOSH COUNTY 911 GOVERNING AUTHORITY
FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

**Audited By:
KERRY JOHN PATTEN, C.P.A.**

**MCINTOSH COUNTY 911 GOVERNING AUTHORITY
EUFAULA, OKLAHOMA
TRUSTEES
JUNE 30, 2022**

Chairman	Monty Grider
Vice-Chairman	Phillip Nicholson
Member	Susan Whittle
Member	Marcus Cunningham
Member	Mark Goodwin

Secretary/Treasurer, Non-Member

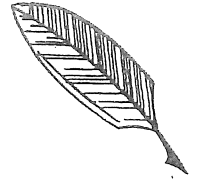
Deena Farrow, County Clerk

**MCINTOSH COUNTY 911 GOVERNING AUTHORITY
EUFAULA, OKLAHOMA
JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
McIntosh County Public Facilities Authority
Eufaula, Oklahoma

Opinions

I have audited the accompanying financial statements of the business-type activities of McIntosh County Public Facilities Authority, a component unit of the County of McIntosh, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

In my opinion, financial statements referred to above present fairly, in all material respects, financial position of the business-type activities, of the McIntosh County Public Facilities Authority as of June 30, 2022, and the results of its' operations and cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Bases for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am required to be independent of the McIntosh County Public Authority, Eufaula, Oklahoma, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the determining that accounting principles generally accepted in the United States of America is an acceptable basis for preparation the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I

Exercise professional judgment and maintain professional skepticism throughout the audit

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

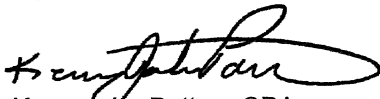
Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with the governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated April 21, 2023, on my consideration of the Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Kerry John Patten, CPA
Broken Arrow, OK
April 21, 2023

BASIC FINANCIAL STATEMENTS

MCINTOSH COUNTY 911 GOVERNING AUTHORITY
STATEMENT OF NET POSITION
CASH BASIS
JUNE 30, 2022

	<u>General Fund</u>
<u>ASSETS</u>	
Cash	\$ 755,937.57
Investments	<u>-</u>
Total Assets	<u><u>\$ 755,937.57</u></u>
 <u>NET POSITION</u>	
Restricted	\$ -
Unrestricted	<u>755,937.57</u>
Total Net Position	<u><u>\$ 755,937.57</u></u>

The accompanying notes are an integral part of these financial statements.

**MCINTOSH COUNTY 911 GOVERNING AUTHORITY
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID,
AND CHANGES IN NET POSITION
CASH BASIS
FOR YEAR ENDING JUNE 30, 2022**

	<u>General Fund</u>
Operating Revenues:	
Fees	\$ 248,755.05
Interest	
Reimbursement of Expenditures	-
Miscellaneous	<u>894.40</u>
Total operating revenues	\$ <u>249,649.45</u>
Operating Expenses:	
Public Safety	\$ 247,490.08
Capital Outlay	<u>-</u>
Total operating expenses	\$ <u>247,490.08</u>
Income (Loss) from operations	\$ <u>2,159.37</u>
Non-Operating Revenue/(Expense)	
Interest Revenue	\$ 964.76
Miscellaneous Revenue	65,000.00
Note Expense	-
Note Proceeds	-
Interest Expense	<u>-</u>
Total Non-Operating Expenses	
Total other financing sources (uses)	\$ <u>65,964.76</u>
Change in net position	\$ <u>68,124.13</u>
Net position, beginning of year	\$ <u>687,813.44</u>
Net position, end of year	\$ <u><u>755,937.57</u></u>

The accompanying notes are an integral part of these financial statements.

MCINTOSH COUNTY 911 GOVERNING AUTHORITY
STATEMENT OF CASH FLOWS
CASH BASIS
FOR YEAR ENDING JUNE 30, 2022

Cash Flows from Operating Activities

Cash received from fees	\$ 248,755.05
Cash payments for operating expenses	(247,490.08)
Cash received from miscellaneous sources	<u>65,894.40</u>
Net cash provided by (used for) operating activities	<u>67,159.37</u>

Cash Flows from Financing Activities

Principal paid on debt	-
Note proceeds	-
Interest paid	<u>-</u>
Net cash provided by (used for) investing activities	<u>-</u>

Cash Flows from Investing Activities

Interest Received	<u>964.76</u>
Net cash provided by (used for) investing activities	<u>964.76</u>

Net Increase (Decrease) in Cash and Cash Equivalents	68,124.13
Cash, July 1, 2021	<u>687,813.44</u>
Cash, June 30, 2022	<u>\$ 755,937.57</u>

**Reconciliation of Operating Income (Loss) to
Net Cash Used by Operating Activities**

Operating income (loss)	\$ 2,159.37
Adjustments to reconcile operating income (loss) to net cash used by operating activities:	<u>(65,964.76)</u>
Net cash provided by operating activities	<u>\$ 68,124.13</u>

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**MCINTOSH COUNTY 911 GOVERNING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2022**

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The McIntosh County 911 Trust Authority (The Authority) is governed by the Constitution and laws of the United States and the State of Oklahoma including the "Trust for Benefit of State, County, or Municipality" Title 60 O.S. 176 et seq., the "Nine One One Number Act", Title 63 O.S. 2811 et. seq., the "Nine One One Wireless Act", Title 63 O.S. 2841 et. seq., the "Nine One One Voice Over Internet VOIP Emergency Act", Title 63 O.S. 2851 et. seq., and the "McIntosh County 911 Trust Indenture" creating the Trust Authority July 28, 2022d April 16, 2009.

The Authority was created for the purpose of providing an Enhanced Emergency Telephone Service System within the geographical areas of McIntosh County, Oklahoma. Among other purposes, The Authority may provide for the collection of, monitoring and safeguarding of public funds to finance the costs of installation and maintenance of the lines and equipment of 911 emergency phone services for McIntosh County.

The Authority is governed by five trustees, which are appointed by the McIntosh County Board of County Commissioners. The Trustees must be citizens and residents of McIntosh County and have staggered terms of office.

The Trustees are authorized to conduct all powers and duties set forth in the Trust. The Trust specifically limits trustees by providing "that no transaction which exceeds the amount of \$10,000.00 shall be completed without the approval of the Board of County Commissioners for McIntosh County."

B. Basis of Presentation

The only fund of the financial reporting entity is described below:

Enterprise Fund

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Enterprise Fund

Brief Description

McIntosh Co. 911 Trust Authority

The Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statement has been prepared on the cash basis of accounting, under this basis of accounting, revenues are recognized when received rather than earned, and expenses are recorded at the time the obligations are paid rather than when incurred.

**MCINTOSH COUNTY 911 GOVERNING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2022**

Summary of Significant Accounting Policies (continued)

D. Fixed Assets

The Authority does not currently maintain detailed records of its land, buildings, and equipment. Therefore, the fixed assets are not recorded in the Statement of Net Position Cash Basis.

E. Assets, Liabilities and Net Position

Cash – Deposits are carried at cost. The carrying amount of deposits is separately displayed on the balance sheet as cash.

Net Position

1. Restricted Net Position – Consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments or law through constitutional provisions or enabling legislation.
2. Unrestricted Net Position – All other net assets that do not meet the definition of “restricted”.

F. Revenues and Expenditures

Operating Revenues – revenues whose cash flows are related to operating activities.

Non-Operating Revenues – revenues which are related to financing, capital, or investing activities.

Expenditures – Expenses related to the use of economic resources.

2. Deposit Categories of Credit Risk

The Authority’s cash deposits at June 30, 2022, are categorized to give an indication of the level of risk assumed by the Authority at year end as follows:

- A. Insured or collateralized with securities held by the Authority or by its agent in the Authority’s name.
- B. Collateralized with securities held by the pledging financial institution’s trust department or agent in the Authority’s name.
- C. Uncollateralized

<u>Category</u>	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
(A)	\$ 755,937.57	\$ 0.00	\$ 755,937.57
(B)	0.00	0.00	0.00
(C)	0.00	0.00	0.00
Bank Balance	\$ <u>755,937.57</u>	\$ <u>0.00</u>	\$ <u>755,937.57</u>

**MCINTOSH COUNTY 911 GOVERNING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2022**

Deposit Categories of Credit Risk (continued)

The Authority's investment policies are governed by state statute. The Authority has not established a separate formal investment policy. Permissible investments include direct obligations of the United States Government and Agencies, certificates of deposit of savings and loan associations, banks and credit unions. Collateral is required for demand deposits, certificates of deposits, and savings accounts for all amounts not covered by federal deposit insurance.

Custodian Credit Risk-Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's cash deposits are maintained in a financial institution. As of June 30, 2022, none of the Authority's deposits were exposed to custodial credit risk.

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

3. Employee Retirement System

The Authority participates in the Oklahoma Public Employees Retirement Plan, a cost-sharing, multi-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Benefit provisions are established and amended by the Oklahoma Legislature. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. Title 74, Sections 901 through 943, as amended, establishes the provisions of the Plan. The Authority has no responsibility or authority for the operation or administration of the system.

OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained online at www.opers.ok.gov or by calling 405-858-6737.

The contribution rate for the Authority is established by statute. The Authority is required to contribute 11.5% - 16.5% and the employee is required to contribute 3.5% - 8.5%. The total employer and employee contribution must equal 20% for the year ended June 30, 2022. The Authority is responsible for determining how much the employer and employee pays with the given range. Currently the Authority pays 15% and the employee pays 5%.

The Authority's contribution to the Plan for the year ended June 30, 2022, was approximately \$18,400.. Total payroll for fiscal year 2022 was \$141,535.19.

4. Risk Management

The Authority is exposed to various risks of loss related to general liability and torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. McIntosh County maintains, and the Authority continues, commercial insurance coverage on these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority.

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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FAX Number (918) 250-9853



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Trustees
McIntosh County Public Facilities Authority
Eufaula, Oklahoma

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, financial statements of the business-type activities, of the McIntosh County Public Facilities Authority, Eufaula Oklahoma, a component unit of McIntosh County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued by report there on dated, April 21, 2023.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the McIntosh County Public Facilities Authority, Eufaula, Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the McIntosh County Facilities Authority, Eufaula, Oklahoma's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Kerry John Patten", with a stylized, flowing script.

Kerry John Patten, C.P.A.
Broken Arrow, OK
April 21, 2023